

Auditing Procedures Report V1.04

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Issued under Public Act 2 of 1968, as amended .

Unit Name	Village of Sheridan	County	MONTCALM	Type	VILLAGE	MuniCode	59-3-060
Opinion Date-Use Calendar	Jun 27, 2008	Audit Submitted -Use Calendar	Jul 21, 2008	Fiscal Year-Use Drop List	2008		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 321,795.00
General Fund Expenditure:	\$ 420,439.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 471,296.00
Governmental Activities Long-Term Debt (see instructions):	\$ 259,755.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Thomas	Last Name	Coulter	Ten Digit License Number	1612544				
CPA Street Address	7810 N Alger Rd	City	Alma	State	MI	Zip Code	48801	Telephone	+1 (989) 463-6108
CPA Firm Name	Yeo & Yeo PC	Unit's Street Address	115 E Evergreen St	City	Sheridan	LU Zip	48884		

Village of Sheridan
Montcalm County, Michigan
Compiled Financial Statements
and
Accountant s' Report
March 31, 2008

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Budgetary Comparison Schedule

General Fund

Major Street Fund

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Village of Sheridan
List of Elected and Appointed Officials
March 31, 2008

Village Council

Brian Russel – President

Doreen Tissue – Treasurer

Marilyn Hancock – Clerk

Daryl Bush – Council Member

Susan McFarland – Council Member

Don Nassif – Council Member

Harold Arrington – Council Member

Douglas Abbott – Council Member

Curtis Sisson – Council Member

Other Officers and Officials

Doug Lane – Village Superintendent

Ed Lingeman – Assistant Village Superintendent



7810 N. Alger Rd.
Alma, MI 48801
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Accountants' Report

To the Village Council
Village of Sheridan

We have compiled the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Sheridan as of and for the year ended March 31, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have compiled the management's discussion and analysis and budget comparison information from information that is the representation of management of the Village of Sheridan, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Yeo & Yeo, P.C.

June 27, 2008
Alma, Michigan

**Village of Sheridan
Management's Discussion and Analysis
For the Year Ended March 31, 2008**

Our discussion and analysis of the Village of Sheridans' financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2008. Please read it in conjunction with the Village's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2008.

Total net assets related to the primary government are \$2,251,305. The unrestricted portion of net assets is \$904,032 (see table of net assets on the following page).

In light of continuing State Budget Problems, and constant threat(s) to take away all revenue sharing, the Village has reacted by invoking tighter controls over all expenditures.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Village of Sheridan as a whole and present a longer-term of the Village's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing governmental services.

The fund financial statements present a short term view; they tell us how the taxpayer's resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements by providing information about the Village's most significant funds.

Village of Sheridan
Management's Discussion and Analysis
For the Year Ended March 31, 2008

The Village of Sheridan as a Whole

The following table shows, in a condensed format, the net assets as of March 31, 2008 with comparative totals for March 31, 2007.

Table 1

	Governmental Activities	Business-type Activities	2008 Total	2007 Total
Current assets	\$ 539,427	\$ 344,102	\$ 883,529	\$ 837,892
Capital assets, net	<u>445,696</u>	<u>1,783,921</u>	<u>2,229,617</u>	<u>2,201,883</u>
Total assets	985,123	2,128,023	3,113,146	3,039,775
Current and long term liabilities	<u>277,591</u>	<u>584,250</u>	<u>861,841</u>	<u>834,596</u>
Total net assets	<u>\$ 707,532</u>	<u>\$ 1,543,773</u>	<u>\$ 2,251,305</u>	<u>\$ 2,205,179</u>

Village of Sheridan's net assets of governmental activities are \$707,532 and \$1,543,773 for business type activities; of these amounts \$611,074 (governmental) and \$292,958 (business -type) are unrestricted assets.

Village of Sheridan
Management's Discussion and Analysis
For the Year Ended March 31, 2008

The following table shows, in a condensed format, the revenues and expenses as of March 31, 2008 with comparative totals for March 31, 2007.

Table 2

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	2008 <u>Total</u>	2007 <u>Total</u>
Revenue				
Program revenue				
Charges for services	\$ 56,905	\$ 180,007	\$ 236,912	\$ 178,503
Capital grants and contributions	-	-	-	87,493.00
General revenue				
Property taxes	180,135	-	180,135	175,537
State shared revenue	127,280	-	127,280	129,231
Unrestricted investment earnings	4,273	22,318	26,591	32,548
Gain on sale of capital assets	1,956	18,000	19,956	-
Miscellaneous	15,401	17,160	32,561	57,072
Total Revenue	<u>385,950</u>	<u>237,485</u>	<u>623,435</u>	<u>660,384</u>
Program expenses				
General government	263,301	-	263,301	199,793
Public safety	57,640	-	57,640	53,945
Public works	32,250	201,560	233,810	323,414
Recreation and culture	14,431	-	14,431	11,718
Interest on long-term debt	8,127	-	8,127	7,079
Total program expenses	<u>375,749</u>	<u>201,560</u>	<u>577,309</u>	<u>595,949</u>
Change in net assets	<u>\$ 10,201</u>	<u>\$ 35,925</u>	<u>\$ 46,126</u>	<u>\$ 64,435</u>

**Village of Sheridan
Management's Discussion and Analysis
For the Year Ended March 31, 2008**

Governmental Activities

The Village of Sheridan's total governmental activity revenues were \$385,950 for March 31, 2008 and \$453,452 for March 31, 2007. Total governmental activity revenue decreased due to the Village receiving grant money for the Pearl Lake project during the 2006/2007 fiscal year.

Governmental activity expenditures of \$375,749 and \$381,321 were recorded for March 31, 2008 and 2007 respectively.

Business Type Activities

The Village of Sheridan's business-type activity consists of a Water Fund and a Sewer Fund. The Village provides treated water and municipal sanitary sewer to approximately 705 Village residents.

Village of Sheridan Funds

The fund financial statements provide detailed information about the most significant funds, not the Village of Sheridan as a whole. The Village Council creates funds to help manage money for specific purposes as well as show accountability for certain activities, such as State of Michigan Act 51, Major and Local Street funds for 2008. The Village of Sheridan's governmental major funds include General Fund, and Major and Local Street Funds.

a) General Fund

Functions relating to the general governmental activities of the Village, which are financed by property tax levies, by distribution of State revenues from fees charged for various municipal activities and services are recorded in the General Fund. This fund had an increase in fund balance of \$7,916 from 2007.

b) Major and Local Street Funds

The State of Michigan provides municipalities revenues from gas and weight taxes to reimburse expenditures for the maintenance and construction of the local street system. The State requires that these expenditures be segregated into a Major Street component and a Local Street component.

**Village of Sheridan
Management's Discussion and Analysis
For the Year Ended March 31, 2008**

General Fund Budgetary Highlights

Over the course of the year, the Village Council and Village administration monitor and amend the budget to account for unanticipated events during the year.

Capital Asset and Debt Administration

At the end of 2008 the Village of Sheridan has \$4,702,154 invested in a wide range of capital assets, including land, buildings, equipment, and water and sewer lines.

Debt reported in these financial statements is related to the construction of the above-mentioned assets and buildings and is reported as a liability on the statement of net assets.

Economic Factors and Next Year's Budgets and Rates

The Village needs to continue to monitor its budget very closely. The Village needs to either increase revenue or delay expenses by adding new business, increasing the population, or receiving additional economic development grants.

Contacting the Village of Sheridan Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village of Sheridan's finances and to show the Village's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the administration offices at Village hall.

Village of Sheridan
Statement of Net Assets
March 31, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 284,454	\$ 472,059	\$ 756,513
Receivables			
Customers	2,464	44,995	47,459
Accrued interest and other	1,965	3,686	5,651
Deferred bond issuance costs	-	1,364	1,364
Due from other units of government	24,348	-	24,348
Internal balances	224,896	(224,896)	-
Prepaid items	1,300	1,488	2,788
Restricted assets			
Cash and cash equivalents	-	45,406	45,406
Non-depreciable capital assets	90,783	30,835	121,618
Depreciable capital assets, net	<u>354,913</u>	<u>1,753,086</u>	<u>2,107,999</u>
Total assets	<u>985,123</u>	<u>2,128,023</u>	<u>3,113,146</u>
Liabilities			
Accrued and other liabilities	9,399	4,250	13,649
Deferred revenue	5,595	-	5,595
Noncurrent liabilities			
Due within one year	19,415	55,000	74,415
Due in more than one year	<u>240,340</u>	<u>525,000</u>	<u>765,340</u>
Total liabilities	<u>277,591</u>	<u>584,250</u>	<u>861,841</u>
Net Assets			
Invested in capital assets, net of related debt	95,158	1,203,921	1,299,079
Restricted for:			
Bond reserves	-	45,406	45,406
Prepaid items	1,300	1,488	2,788
Unrestricted	<u>611,074</u>	<u>292,958</u>	<u>904,032</u>
Total net assets	<u>\$ 707,532</u>	<u>\$ 1,543,773</u>	<u>\$ 2,251,305</u>

See Accompanying Notes to Financial Statements

**Village of Sheridan
Statement of Activities
For the Year Ended March 31, 2008**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 263,301	\$ 13,300	\$ -	\$ -	\$ (250,001)	\$ -	\$ (250,001)
Public safety	57,640	21,802	-	-	(35,838)	-	(35,838)
Public works	32,250	21,803	-	-	(10,447)	-	(10,447)
Recreation and culture	14,431	-	-	-	(14,431)	-	(14,431)
Interest on long-term debt	8,127	-	-	-	(8,127)	-	(8,127)
Total governmental activities	<u>375,749</u>	<u>56,905</u>	<u>-</u>	<u>-</u>	<u>(318,844)</u>	<u>-</u>	<u>(318,844)</u>
Business-type activities							
Sewer	127,523	96,373	-	-	-	(31,150)	(31,150)
Water	74,037	83,634	-	-	-	9,597	9,597
Total business-type activities	<u>201,560</u>	<u>180,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,553)</u>	<u>(21,553)</u>
Total primary government	<u>\$ 577,309</u>	<u>\$ 236,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(318,844)</u>	<u>(21,553)</u>	<u>(340,397)</u>
General revenues							
Property taxes					180,135	-	180,135
State shared revenue					127,280	-	127,280
Unrestricted investment earnings					4,273	22,318	26,591
Gain on sale of capital assets					1,956	18,000	19,956
Miscellaneous					15,401	17,160	32,561
Total general revenues					<u>329,045</u>	<u>57,478</u>	<u>386,523</u>
Change in net assets					10,201	35,925	46,126
Net assets - beginning of year					<u>697,331</u>	<u>1,507,848</u>	<u>2,205,179</u>
Net assets - end of year					<u>\$ 707,532</u>	<u>\$ 1,543,773</u>	<u>\$ 2,251,305</u>

See Accompanying Notes and Accountants' Report

Village of Sheridan
Governmental Funds
Balance Sheet
March 31, 2008

		<u>Special Revenue Funds</u>		Total Governmental Funds
	<u>General</u>	<u>Major Street</u>	<u>Local Street</u>	
Assets				
Cash and cash equivalents	\$ 175,272	\$ 60,048	\$ 49,134	\$ 284,454
Receivables				
Customers	2,464	-	-	2,464
Accrued interest and other	1,965	-	-	1,965
Due from other units of government	13,663	7,047	3,638	24,348
Due from other funds	327,630	-	18,631	346,261
Prepaid items	<u>926</u>	<u>187</u>	<u>187</u>	<u>1,300</u>
 Total assets	 <u>\$ 521,920</u>	 <u>\$ 67,282</u>	 <u>\$ 71,590</u>	 <u>\$ 660,792</u>
Liabilities				
Accounts payable	\$ 2,842	\$ -	\$ -	\$ 2,842
Accrued and other liabilities	9,399	-	-	9,399
Due to other funds	32,788	32,257	56,320	121,365
Deferred revenue	<u>5,595</u>	<u>-</u>	<u>-</u>	<u>5,595</u>
 Total liabilities	 <u>50,624</u>	 <u>32,257</u>	 <u>56,320</u>	 <u>139,201</u>
Fund Balances				
Reserved for:				
Prepaid items	926	187	187	1,300
Unreserved, reported in:				
General fund	470,370	-	-	470,370
Special revenue funds	<u>-</u>	<u>34,838</u>	<u>15,083</u>	<u>49,921</u>
 Total fund balances	 <u>471,296</u>	 <u>35,025</u>	 <u>15,270</u>	 <u>521,591</u>
 Total liabilities and fund balances	 <u>\$ 521,920</u>	 <u>\$ 67,282</u>	 <u>\$ 71,590</u>	 <u>\$ 660,792</u>

See Accompanying Notes and Accountants' Report

**Village of Sheridan
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Assets of Governmental Activities
March 31, 2008**

Total fund balances for governmental funds	\$ 521,591
Total net assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	445,696
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the governmental funds.	<u>(259,755)</u>
Net assets of governmental activities	<u>\$ 707,532</u>

Village of Sheridan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2008

	<u>Special Revenue Funds</u>			Total Governmental Funds
	<u>General</u>	<u>Major Street</u>	<u>Local Street</u>	
Revenues				
Taxes	\$ 180,135	\$ -	\$ -	\$ 180,135
State revenue sharing	69,327	38,207	19,746	127,280
Charges for services	13,300	-	-	13,300
Interest income	27	2,555	1,691	4,273
Rental income	43,605	-	-	43,605
Other revenue	15,401	-	-	15,401
	<u>321,795</u>	<u>40,762</u>	<u>21,437</u>	<u>383,994</u>
Total revenues				
Expenditures				
Current				
General government	156,567	-	-	156,567
Public safety	57,084	-	-	57,084
Public works	-	37,480	35,025	72,505
Recreation and culture	10,695	-	-	10,695
Other functions	35,796	-	-	35,796
Capital outlay	136,075	-	-	136,075
Debt service				
Principal retirement	16,095	-	-	16,095
Interest and fiscal charges	8,127	-	-	8,127
	<u>420,439</u>	<u>37,480</u>	<u>35,025</u>	<u>492,944</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(98,644)</u>	<u>3,282</u>	<u>(13,588)</u>	<u>(108,950)</u>

See Accompanying Notes and Accountants' Report

Village of Sheridan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2008

	<u>Special Revenue Funds</u>			Total Governmental Funds
	<u>General</u>	<u>Major Street</u>	<u>Local Street</u>	
Other financing sources (uses)				
Transfers in	-	-	20,690	20,690
Transfers out	(4,500)	(16,190)	-	(20,690)
Issuance of debt	109,104	-	-	109,104
Sale of fixed assets	<u>1,956</u>	<u>-</u>	<u>-</u>	<u>1,956</u>
Total other financing sources and (uses)	<u>106,560</u>	<u>(16,190)</u>	<u>20,690</u>	<u>111,060</u>
Net change in fund balance	<u>7,916</u>	<u>(12,908)</u>	<u>7,102</u>	<u>2,110</u>
Fund balance - beginning of year	<u>463,380</u>	<u>47,933</u>	<u>8,168</u>	<u>519,481</u>
Fund balance - end of year	<u>\$ 471,296</u>	<u>\$ 35,025</u>	<u>\$ 15,270</u>	<u>\$ 521,591</u>

See Accompanying Notes and Accountants' Report

Village of Sheridan
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2008

Net change in fund balances - Total governmental funds	\$ 2,110
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Total change in net assets reported for governmental activities in the statement of activities
is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(34,587)
Capital outlay	135,687

Loan proceeds are reported as financing sources in the governmental funds and thus contribute to the change in
fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not
affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds
but reduces the liability in the statement of net assets.

Debt issued	(109,104)
Repayments of long-term debt	<u>16,095</u>

Change in net assets of governmental activities	\$ <u>10,201</u>
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**Village of Sheridan
Proprietary Funds
Statement of Net Assets
March 31, 2008**

	Enterprise Funds		
	Sewer	Water	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 175,793	\$ 296,266	\$ 472,059
Receivables			
Customers	22,416	22,579	44,995
Accrued interest and other	715	2,971	3,686
Deferred bond issuance costs	-	1,364	1,364
Due from other funds	18,281	-	18,281
Prepaid items	611	877	1,488
Total current assets	<u>217,816</u>	<u>324,057</u>	<u>541,873</u>
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	37,778	7,628	45,406
Capital assets, net	<u>1,256,599</u>	<u>527,322</u>	<u>1,783,921</u>
Total noncurrent assets	<u>1,294,377</u>	<u>534,950</u>	<u>1,829,327</u>
Total assets	<u>\$ 1,512,193</u>	<u>\$ 859,007</u>	<u>\$ 2,371,200</u>
Liabilities			
Current liabilities			
Accrued and other liabilities	\$ 4,250	\$ -	\$ 4,250
Due to other funds	68,751	174,426	243,177
Current portion of noncurrent liabilities	<u>35,000</u>	<u>20,000</u>	<u>55,000</u>
Total current liabilities	<u>108,001</u>	<u>194,426</u>	<u>302,427</u>

See Accompanying Notes and Accountants' Report

**Village of Sheridan
Proprietary Funds
Statement of Net Assets
March 31, 2008**

	Enterprise Funds		
	Sewer	Water	Total
Noncurrent liabilities			
Long-term debt net of current portion	475,000	50,000	525,000
Total liabilities	583,001	244,426	827,427
Net Assets			
Invested in capital assets, net of related debt	746,599	457,322	1,203,921
Restricted for:			
Bond reserves	37,778	7,628	45,406
Prepaid items	611	877	1,488
Unrestricted	144,204	148,754	292,958
Total net assets	<u>\$ 929,192</u>	<u>\$ 614,581</u>	<u>\$ 1,543,773</u>

See Accompanying Notes and Accountants' Report

Village of Sheridan
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended March 31, 2008

	Enterprise Funds		
	Sewer	Water	Total
Operating revenue			
Customer fees	\$ 96,373	\$ 83,634	\$ 180,007
Rental income	2,561	14,599	17,160
Total operating revenue	98,934	98,233	197,167
Operating expenses			
Personnel services	9,290	13,796	23,086
Supplies	3,193	1,234	4,427
Contractual services	3,068	4,705	7,773
Utilities	7,226	4,588	11,814
Repairs and maintenance	11,230	14,961	26,191
Other expenses	11,668	9,890	21,558
Depreciation	55,765	17,601	73,366
Total operating expenses	101,440	66,775	168,215
Operating income (loss)	(2,506)	31,458	28,952
Nonoperating revenue (expenses)			
Interest income	8,549	13,769	22,318
Gain on sale of assets	18,000	-	18,000
Interest expense	(26,083)	(7,262)	(33,345)
Total nonoperating revenue (expenses)	466	6,507	6,973
Change in net assets	(2,040)	37,965	35,925
Net assets - beginning of year	931,232	576,616	1,507,848
Net assets - end of year	\$ 929,192	\$ 614,581	\$ 1,543,773

See Accompanying Notes and Accountants' Report

**Village of Sheridan
Proprietary Funds
Statement of Cash Flows
For the Year Ended March 31, 2008**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Cash flows from operating activities			
Receipts from customers	\$ 99,337	\$ 100,903	\$ 200,240
Payments to other funds	(17,625)	52	(17,573)
Payments to suppliers	(36,676)	(39,093)	(75,769)
Payments to employees	(9,290)	(13,796)	(23,086)
Net cash provided by operating activities	<u>35,746</u>	<u>48,066</u>	<u>83,812</u>
 Cash flows from capital and related financing activities			
Principal and interest paid on long-term debt	(61,083)	(47,262)	(108,345)
Proceeds from sale of capital assets	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Net cash used by capital and related financing activities	<u>(43,083)</u>	<u>(47,262)</u>	<u>(90,345)</u>
 Cash flows from investing activities			
Interest received	<u>8,549</u>	<u>13,769</u>	<u>22,318</u>
Net increase (decrease) in cash and cash equivalents	1,212	14,573	15,785
Cash and cash equivalents - beginning of year	<u>212,359</u>	<u>289,321</u>	<u>501,680</u>
Cash and cash equivalents - end of year	<u>\$ 213,571</u>	<u>\$ 303,894</u>	<u>\$ 517,465</u>

See Accompanying Notes and Accountants' Report

**Village of Sheridan
Proprietary Funds
Statement of Cash Flows
For the Year Ended March 31, 2008**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (2,506)	\$ 31,458	\$ 28,952
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization expense	55,765	17,601	73,366
Changes in assets and liabilities			
Receivables (net)	403	2,670	3,073
Due from other funds	(52)	-	(52)
Prepaid items	1	(523)	(522)
Accrued and other liabilities	(292)	(3,192)	(3,484)
Due to other funds	<u>(17,573)</u>	<u>52</u>	<u>(17,521)</u>
Net cash provided by operating activities	<u>\$ 35,746</u>	<u>\$ 48,066</u>	<u>\$ 83,812</u>

See Accompanying Notes and Accountants' Report

Village of Sheridan
Notes to Financial Statements
March 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Village of Sheridan is governed by an elected seven-member Board. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Village of Sheridan
Notes to Financial Statements
March 31, 2008

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major Street Fund accounts for the maintenance and improvement activities for streets designated as "major" within the Village. Funding is primarily through state shared gas and weight taxes.

The Local Street Fund accounts for maintenance and improvement activities for streets designated as "local" within the Village. Funding is primarily through state shared gas and weight taxes.

The government reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection system.

The Water Fund accounts for the activities of the water distribution system.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water funds are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the sewer and water funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Village of Sheridan
Notes to Financial Statements
March 31, 2008

Assets, liabilities, and net assets or equity

Deposits – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each July 1st on the taxable valuation of property as of the preceding July 31st. Taxes are considered delinquent on September 15th of the following year, at which time penalties and interest are assessed.

The 2007 taxable valuation of the government totaled \$15,767,096, on which ad valorem taxes consisted of 11.2233 mills for operating purposes. This resulted in \$177,932 for operating expenses, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Prepaid items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted assets – Certain revenue bonds of the Enterprise Funds require amounts to be set aside for a bond reserve. These amounts have been classified as restricted investments.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and sewer lines	50 to 75 years
Vehicles	3 to 10 years
Office equipment computer equipment	5 to 7 years
Computer equipment	3 to 7 years

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Village of Sheridan
Notes to Financial Statements
March 31, 2008

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purposes.

Comparative data

Comparative data is not included in the government's financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

The government is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Prior to February 1, the Village President submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1. Public hearings are obtained to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to April 1.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Village Clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the Village Council.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Excess of expenditures over appropriations

Michigan Public Act 621 of 1978, Section 18(1), as amended provides that a local government shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2008, the Village incurred expenditures in the General Fund in excess of the amount appropriated as follows:

<u>Fund</u>	<u>Total</u> <u>Appropriation</u>	<u>Amount</u> <u>Expended</u>	<u>Over</u> <u>Budget</u>
General Fund			
Recreation and culture	\$ 9,980	\$ 10,695	\$ 715
Capital outlay	2,100	136,075	133,975
Debt service	13,405	24,222	10,817
Transfers out	-	4,500	4,500
Major Street			
Transfers out	8,606	16,190	7,584

Village of Sheridan
Notes to Financial Statements
March 31, 2008

NOTE 3 - DEPOSITS

At year end the government's deposits were reported in the basic financial statements in the following categories:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents
Governmental activities	\$ 284,454	\$ -
Business-type activities	<u>472,059</u>	<u>45,406</u>
Total primary government	<u>\$ 756,513</u>	<u>\$ 45,406</u>

Interest rate risk – The government does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates

Credit risk – State statutes and the government's investment policy authorize the government to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Concentration of credit risk – The government has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a policy for custodial credit risk. As of year end, \$ 707,650 was exposed to custodial credit risk because it was uninsured and uncollateralized.

NOTE 4 - DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unearned
Primary government	
Other revenue	\$ 5,595

Village of Sheridan
Notes to Financial Statements
March 31, 2008

NOTE 5 - CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 15,900	\$ 74,883	\$ -	\$ 90,783
Capital assets being depreciated				
Buildings, additions and improvements	845,062	-	-	845,062
Machinery and equipment	<u>267,391</u>	<u>60,804</u>	<u>27,500</u>	<u>300,695</u>
Total capital assets being depreciated	<u>1,112,453</u>	<u>60,804</u>	<u>27,500</u>	<u>1,145,757</u>
Less accumulated depreciation for				
Buildings, additions and improvements	553,676	11,342	-	565,018
Machinery and equipment	<u>230,081</u>	<u>23,245</u>	<u>27,500</u>	<u>225,826</u>
Total accumulated depreciation	<u>783,757</u>	<u>34,587</u>	<u>27,500</u>	<u>790,844</u>
Net capital assets being depreciated	<u>328,696</u>	<u>26,217</u>	<u>-</u>	<u>354,913</u>
Governmental activities capital assets, net	<u>\$ 344,596</u>	<u>\$ 101,100</u>	<u>\$ -</u>	<u>\$ 445,696</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 30,835	\$ -	\$ -	\$ 30,835
Capital assets being depreciated				
Buildings, additions and improvements	171,248	-	-	171,248
Machinery and equipment	122,714	-	25,718	96,996
Water system	795,501	-	-	795,501
Sewer system	<u>2,371,034</u>	<u>-</u>	<u>-</u>	<u>2,371,034</u>
Total capital assets being depreciated	<u>3,460,497</u>	<u>-</u>	<u>25,718</u>	<u>3,434,779</u>
Less accumulated depreciation for				
Buildings, additions and improvements	120,428	6,297	-	126,725
Machinery and equipment	114,648	2,356	25,718	91,286
Water system	261,745	17,269	-	279,014
Sewer system	<u>1,137,224</u>	<u>47,444</u>	<u>-</u>	<u>1,184,668</u>
Total accumulated depreciation	<u>1,634,045</u>	<u>73,366</u>	<u>25,718</u>	<u>1,681,693</u>
Net capital assets being depreciated	<u>1,826,452</u>	<u>(73,366)</u>	<u>-</u>	<u>1,753,086</u>
Business-type capital assets, net	<u>\$ 1,857,287</u>	<u>\$ (73,366)</u>	<u>\$ -</u>	<u>\$ 1,783,921</u>

Village of Sheridan
Notes to Financial Statements
March 31, 2008

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities

General government	\$ 9,746
Public safety	556
Public works	20,549
Recreation and culture	<u>3,736</u>
Total governmental activities	<u>34,587</u>

Business-type activities

Sewer	55,765
Water	<u>17,601</u>
Total business-type activities	<u>73,366</u>
Total primary government	<u>\$ 107,953</u>

NOTE 6 - INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund		
	Major Street	\$ 24,248
	Local Street	45,676
	Sewer Fund	86,324
	Water Fund	171,382
Local Street Fund		
	Major Street	3,416
	General Fund	15,215
Sewer Fund		
	General Fund	17,573
	Major Street	4,593
	Local Street	10,644
	Water Fund	<u>3,044</u>
		<u>\$ 382,115</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The details for interfund transfers are as follows:

Village of Sheridan
Notes to Financial Statements
March 31, 2008

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
Major Street	Local Street	\$ 16,190
General Fund	Local Street	<u>4,500</u>
		<u>\$ 20,690</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Village of Sheridan
Notes to Financial Statements
March 31, 2008

NOTE 8 - LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Notes payable									
Construction loan	\$ 176,550	2010	4.50%	\$494 - \$563	\$ 166,746	\$ -	\$ 6,395	\$ 160,351	\$ 6,143
Business loan	48,250	2028	7%	\$1,157 - \$4287	-	48,900	-	48,900	1,157
Capital leases									
Equipment lease	57,343	2012	6%	\$14,084 - \$14,267	-	60,204	9,700	50,504	12,115
Total governmental activities					<u>\$ 166,746</u>	<u>\$ 109,104</u>	<u>\$ 16,095</u>	<u>\$ 259,755</u>	<u>\$ 19,415</u>
Business-type activities									
Bonds and notes payable									
General obligation bonds									
Sewer revenue bonds	\$ 875,000	2019	5%	\$35,000 - \$60,000	\$ 545,000	\$ -	\$ 35,000	\$ 510,000	\$ 35,000
Water revenue bonds	300,000	2011	7%	\$20,000 - \$25,000	110,000	-	40,000	70,000	20,000
Total bonds payable					<u>\$ 655,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 580,000</u>	<u>\$ 55,000</u>

Village of Sheridan
Notes to Financial Statements
March 31, 2008

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	19,467	14,352	\$ 55,000	30,215
2010	19,798	12,061	60,000	27,075
2011	161,795	6,008	65,000	23,625
2012	14,970	3,431	40,000	19,875
2013	1,627	3,065	45,000	19,000
2014-2018	9,455	13,500	255,000	65,000
2019-2020	13,322	9,631	60,000	1,500
2022-2026	19,321	4,182	-	-
	<u>\$ 259,755</u>	<u>\$ 66,230</u>	<u>\$ 580,000</u>	<u>\$ 186,290</u>

NOTE 9 - RESTRICTED ASSETS

The balances of the restricted assets accounts in the Enterprise Funds are as follows:

Cash and cash equivalents \$44,459

NOTE 10 - RISK MANAGEMENT

The government is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 11 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

The pension plan of the Village is a defined contribution plan administered by National Financial Services, LLC, which provides benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the participant's account are to be determined rather than specifying the amount of benefits the participant will receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account. Contributions made by the Village vest immediately. The Village's required and actual contribution for the year ended March 31, 2008, was \$ 9,889.

NOTE 12 - RELATED PARTY TRANSACTIONS

For the year ended March 31, 2008, the Village engaged in business transactions with several Board members for the purchase of goods and services in the amount of \$12,936.

Village of Sheridan
Notes to Financial Statements
March 31, 2008

NOTE 13 – LEASES

Capital Leases

The Village has a capital lease for a tractor. The future minimum lease payments are as follows:

<u>Year ending March 31,</u>	
2009	\$ 14,336
2010	14,336
2011	14,336
2012	<u>14,336</u>
Total minimum lease payments	57,344
Less amount representing interest	<u>6,840</u>
Present value of minimum lease payments	<u>\$ 50,504</u>
Asset	
Machinery and equipment	\$ 60,204
Less accumulated depreciation	<u>3,584</u>
Total	<u>\$ 56,620</u>

Village of Sheridan
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 174,945	\$ 174,945	\$ 180,135	\$ 5,190
State revenue sharing	45,000	45,000	69,327	24,327
Charges for services	9,725	9,725	13,300	3,575
Interest income	2,500	8,500	27	(8,473)
Rental income	24,000	18,000	43,605	25,605
Other revenue	4,582	4,582	15,401	10,819
Sale of fixed assets	-	-	1,956	1,956
Capital lease proceeds	-	-	109,104	109,104
	<u>260,752</u>	<u>260,752</u>	<u>432,855</u>	<u>172,103</u>
Total revenues				
Expenditures				
General government				
Township board	126,447	128,293	109,850	(18,443)
Supervisor	1,500	1,500	-	(1,500)
Clerk	8,818	8,818	8,918	100
Treasurer	28,858	29,969	35,423	5,454
Elections	200	200	-	(200)
Attorney	1,000	1,750	1,440	(310)
Cemetery	5,780	4,780	936	(3,844)
	<u>172,603</u>	<u>175,310</u>	<u>156,567</u>	<u>(18,743)</u>
Total general government				
Public safety				
Police	34,100	34,100	35,084	984
Fire department	22,150	22,150	22,000	(150)
	<u>56,250</u>	<u>56,250</u>	<u>57,084</u>	<u>834</u>
Total public safety				

See Accompanying Accountants' Report

Village of Sheridan
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Recreation and culture				
Parks and recreation	1,900	1,900	363	(1,537)
Community Center	<u>7,350</u>	<u>8,080</u>	<u>10,332</u>	<u>2,252</u>
Total recreation and culture	<u>9,250</u>	<u>9,980</u>	<u>10,695</u>	<u>715</u>
Other functions				
Insurance and bonds	22,250	30,415	31,290	875
Unallocated employee fringe benefits	<u>31,866</u>	<u>60,866</u>	<u>4,506</u>	<u>(56,360)</u>
Total other functions	<u>54,116</u>	<u>91,281</u>	<u>35,796</u>	<u>(55,485)</u>
Capital outlay	<u>33,597</u>	<u>2,100</u>	<u>136,075</u>	<u>133,975</u>
Debt service				
Principal retirement	6,391	6,395	16,095	9,700
Interest and fiscal charges	<u>6,604</u>	<u>7,010</u>	<u>8,127</u>	<u>1,117</u>
Total debt service	<u>12,995</u>	<u>13,405</u>	<u>24,222</u>	<u>10,817</u>
Transfers out	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>
Total expenditures and transfers out	<u>338,811</u>	<u>348,326</u>	<u>424,939</u>	<u>76,613</u>

See Accompanying Accountants' Report

Village of Sheridan
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2008

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Excess (deficiency) of revenues over expenditures	<u>(78,059)</u>	<u>(87,574)</u>	<u>7,916</u>	<u>95,490</u>
Fund balance - beginning of year	<u>463,380</u>	<u>463,380</u>	<u>463,380</u>	<u>-</u>
Fund balance - end of year	<u>\$ 385,321</u>	<u>\$ 375,806</u>	<u>\$ 471,296</u>	<u>\$ 95,490</u>

See Accompanying Accountants' Report

Village of Sheridan
Required Supplemental Information
Budgetary Comparison Schedule
Major Street
For the Year Ended March 31, 2008

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
State revenue sharing	\$ 37,000	\$ 37,000	\$ 38,207	\$ 1,207
Interest income	2,000	2,000	2,555	555
Total revenues	39,000	39,000	40,762	1,762
Expenditures				
Current				
Public works	33,841	41,738	37,480	(4,258)
Transfers out	8,606	8,606	16,190	7,584
Total expenditures	42,447	50,344	53,670	3,326
Deficiency of revenues over expenditures	(3,447)	(11,344)	(12,908)	(1,564)
Fund balance - beginning of year	47,933	47,933	47,933	-
Fund balance - end of year	\$ 44,486	\$ 36,589	\$ 35,025	\$ (1,564)

See Accompanying Accountants' Report

Village of Sheridan
Required Supplemental Information
Budgetary Comparison Schedule
Local Street Fund
For the Year Ended March 31, 2008

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
State revenue sharing	\$ 18,431	\$ 18,431	\$ 19,746	\$ 1,315
Interest income	1,033	1,033	1,691	658
Transfers in	8,606	13,106	20,690	7,584
Total revenues	28,070	32,570	42,127	9,557
Expenditures				
Current				
Public works	27,790	38,489	35,025	(3,464)
Excess (deficiency) of revenues over expenditures	280	(5,919)	7,102	13,021
Fund balance - beginning of year	8,168	8,168	8,168	-
Fund balance - end of year	\$ 8,448	\$ 2,249	\$ 15,270	\$ 13,021

See Accompanying Accountants' Report